



STEVE COOLEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER  
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

October 04, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

40 October 4, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (CDI) FOR THE WORKERS' COMPENSATION INSURANCE FRAUD (WCIF) AND DISABILITY AND HEALTHCARE INSURANCE FRAUD (DHIF), PROGRAMS AND APPROVE A BUDGET ADJUSTMENT FOR FISCAL YEAR 2011-12 (ALL DISTRICTS) (4-VOTES)**

### SUBJECT

The State of California, Department of Insurance (CDI) has awarded the District Attorney's Office (DA) \$5,700,000 for the Workers' Compensation Insurance Fraud (WCIF) Program, and \$611,500 for the Disability and Healthcare Insurance Fraud (DHIF) Program to support enhanced investigation and prosecution of fraud activity.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the District Attorney to accept grant funds from the California Department of Insurance, for the period of July 1, 2011 to June 30, 2012, for Workers' Compensation Insurance Fraud (WCIF) in the amount of \$5,700,000, and Disability and Healthcare Insurance Fraud (DHIF) in the amount of \$611,500. There is no required County match for these programs.
2. Authorize the District Attorney to execute the Grant Award Agreements (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as

Project Director and to sign and approve any revisions to the GAAs that do not increase the Net County Cost of the Agreements.

4. Approve the attached Budget Adjustment in the amount of \$610,000 to allocate funding authority to salary and employee benefits of the two additional DA Investigators, and services and supplies for the WCIF Program. This amount represents the difference between the grant award and the amount budgeted for FY 2011-12.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The objective of these programs is to maintain an active partnership in anti-fraud efforts. Accordingly, the DA's office submitted grant applications to CDI for FY 2011-12. The WCIF application was submitted on April 29, 2011 and DHIF on June 10, 2011 for the regular grant awards, respectively.

Board approval is required to accept grant funds for WCIF and DHIF Grant Programs from CDI for FY 2011-12.

The request for appropriation adjustment is needed in order to align the DA's budget with the full amount awarded to each program.

### **Implementation of Strategic Plan Goals**

The recommended actions support the County's Strategic Plan Goal No. 5, Public Safety, by ensuring that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County, by using funds for law enforcement operation costs that enhance the quality of criminal investigations for prosecution.

### **FISCAL IMPACT/FINANCING**

The CDI administers the grant programs and the distribution of funds for enhanced investigation and prosecution of workers' compensation fraud cases and fraudulent disability and healthcare insurance claims.

The CDI awarded grant funding for DA fraud programs for FY 2011-12:

- WCIF Program – The grant funding awarded is \$5,700,000. Funding for this program is included in the District Attorney's FY 2011-12 Final Adopted Budget. There is no County match requirement for this program.
- DHIF Program - The grant funding awarded is \$611,500. Funding for this program is included in the District Attorney's FY 2011-12 Final Adopted Budget. There is no County match requirement for this program.

In light of the State's budget situation, if funding for these programs were to be terminated, an

evaluation of each program would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Insurance Code Sections 1872.83(d) (WCIF) and 1872.85 (c)(2) (DHIF), CDI is authorized to award and distribute certain funds to District Attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of workers' compensation fraud cases and fraudulent disability and healthcare insurance claims, respectively.

The DA has been awarded funding for the WCIF for the past eighteen years and DHIF for six years.

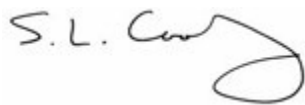
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

These programs do not propose attorney staff augmentation. Therefore, the DA is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

### **CONCLUSION**

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter to Ms. Emily Aidells, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, California, 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "S.L. Cooley", with a large, stylized loop at the end.

STEVE COOLEY

District Attorney

vc

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY

DEPT'S.  
NO. 370

September 1, 2011

## AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2011-2012

4 - VOTES

SOURCES

District Attorney  
A01 - DA - 88 - 8831 - 14030  
State Other - \$610,000  
Increase Revenue

USES

District Attorney  
A01 - DA - 1000 - 14030  
Salaries and Employee Benefits - \$610,000  
Increase Appropriation

SOURCES TOTAL: \$ 610,000

USES TOTAL: \$ 610,000

JUSTIFICATION

This Budget Adjustment allocates the unbudgeted revenue from Workers' Compensation Insurance Fraud (WCIF) Program. The additional appropriation will provide sufficient funds required to successfully implement the program.

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

*Robert Ruiz*  
AUTHORIZED SIGNATURE Norbert Ruiz

40

OCT 4 2011

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR ---

☐

ACTION

☒

RECOMMENDATION

AUDITOR-CONTROLLER

BY

*Tam Shikama*  
Sept 6 20 11

B.A. NO.

016

☒

APPROVED AS REQUESTED

☐

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

*Shel Wells*  
Sept 13 20 11

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**Los Angeles County Chief Executive Office**  
**Grant Management Statement for Grants Exceeding \$100,000**

**Department:** District Attorney

**Grant Project Title and Description** Workers' Compensation Insurance Fraud Program

The objective of this program is to enhance the identification, investigation and prosecution of organized workers' compensation insurance fraud. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (CDI) to investigate and prosecute unscrupulous doctors, chiropractors, lawyers and others engaged in workers' compensation insurance fraud in Los Angeles County.

**Funding Agency**  
California Department of Insurance

**Program (Fed. Grant # /State Bill or Code #)**  
California Insurance Code § 1872.83

**Grant Acceptance Deadline**

**Total Amount of Grant Funding:** \$5,700,000

**County Match:** \$0

**Grant Period:** FY 2011-2012    **Begin Date:** July 1, 2011

**End Date:** June 30, 2012

**Number of Personnel Hired Under This Grant:** 29

**Full Time:** 26 **Part Time:** 3\*

\*These positions are partially grant-funded by both Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

**Obligations Imposed on the County When the Grant Expires**

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

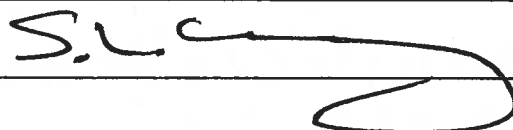
b). Identify other revenue sources Yes ☐ No ☒  
(Describe) \_\_\_\_\_

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

**Impact of additional personnel on existing space:** None

**Other requirements not mentioned above:** None

**Department Head Signature**



**Date** 9/09/11

**Los Angeles County Chief Executive Office**  
**Grant Management Statement for Grants Exceeding \$100,000**

**Department:** District Attorney

**Grant Project Title and Description:** Disability and Healthcare Insurance Fraud Program

The objective of this program is to enhance the criminal investigation and prosecution of fraudulent disability and healthcare insurance claims in Los Angeles County. These grant funds will allow the District Attorney's Office to successfully implement this program and reduce disability and healthcare insurance fraud through collaborative efforts with the State of California, Department of Insurance (CDI) and local law enforcement agencies.

**Funding Agency**  
California Department of Insurance

**Program (Fed. Grant # /State Bill or Code #)**  
California Insurance Code §1872.85

**Grant Acceptance Deadline**

**Total Amount of Grant Funding:** \$611,500

**County Match:** \$0

**Grant Period:** FY 2011-2012 **Begin Date:** July 1, 2011

**End Date:** June 30, 2012

**Number of Personnel Hired Under This Grant:** 7

**Full Time:** 4 **Part Time:** 3\*

\*These positions are partially grant-funded by both Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

**Obligations Imposed on the County When the Grant Expires**

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒  
(Describe) \_\_\_\_\_

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

**Impact of additional personnel on existing space:** None

**Other requirements not mentioned above:** None

**Department Head Signature** \_\_\_\_\_

**Date** 9/09/11